## UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

SYSTEM1 RESEARCH LIMITED and SYSTEM1 RESEARCH INC.,	)	Case No.: 21-cv-8029
Plaintiffs,	)	Complaint for Trademark Infringement, False Designation of Origin, Unfair Competition,
v.	)	Violation of New York General Business Law § 133; and Violation of The New York
SYSTEM1 LLC,	)	Deceptive Business Acts and Practices General Business Law § 349(H)
Defendant.	)	Jury Demand

Plaintiffs System1 Research Limited and System1 Research, Inc. for their Complaint against Defendant System1 LLC state and allege as follows:

## THE PARTIES

- 1. Plaintiff System1 Research Limited is a United Kingdom Limited Company with its offices located at 52 Bedford Row, London UNITED KINGDOM WC1R4LR.
- 2. Plaintiff System1 Research, Inc. is a Delaware corporation with offices located at 52 Vanderbilt Ave 17th Floor, New York, NY 10017. Plaintiff System1 Research, Inc. is the United States subsidiary of Plaintiff System1 Research Limited.
- 3. Upon information and belief, Defendant System1 LLC is a Delaware limited liability corporation with its principal place of business at 10400 NE 4TH Street Suite 500, Bellevue, Washington 98004.

### **JURISDICTION AND VENUE**

4. This Court has original subject matter jurisdiction over this action pursuant to 15 U.S.C. §1121, 15 U.S.C. §1116, 28 U.S.C. §1331, 28 U.S.C. §1338(a), and 28 U.S.C. §1651, as this case arises under the Lanham (Trademark) Act, 15 U.S.C. §1051 et seq. This Court has

supplemental jurisdiction over the state-law claims pursuant to 28 U.S.C. §1367, as they are so related to the claims in the action within original jurisdiction that they form part of the same case or controversy.

- 5. This Court has both general and specific personal jurisdiction over Defendant System1 LLC as Defendant System1 LLC is doing and has transacted business in this judicial district, including committing acts of trademark infringement, unfair competition and deceptive trade practices as alleged herein.
  - 6. Venue is proper in this district pursuant to 28 U.S.C. §1391.

### PLAINTIFFS' ESTABLISHED RIGHTS IN THE SYSTEM1 TRADEMARKS

- 7. Plaintiff System1 Research Limited is a United Kingdom Limited Company offering advertising, marketing research, and brand services. Plaintiff System1 Research Limited is headquartered in the United Kingdom and has offices in the United Kingdom, United States, Switzerland, Germany, the Netherlands, France, Brazil, Singapore, Australia and China.
- 8. Plaintiff System1 Research Limited itself, and through its subsidiaries around the world, including Plaintiff System1 Research Inc., provides a broad range of services related to marketing and brands using proprietary market research and advertising solutions grounded in the principles of behavioral science.
- 9. Plaintiff System1 Research Limited helps clients with their advertising and marketing communications and innovation programs, and works with many of the world's largest buyers of advertising and market research.
- 10. Since 2006, Plaintiff System1 Research Limited has provided all of its marketing and advertising and related services in connection with its SYSTEM1 mark, which functions as its house mark ("SYSTEM1 Mark").

- 11. Plaintiffs have used, extensively promoted its services in connection with numerous marks that prominently feature "SYSTEM1" in the mark including, but not limited to, SYSTEM1, SYSTEM1 RESEARCH LIMITED, SYSTEM1 RESEARCH, SYSTEM1 MARKETING, SYSTEM1 AD RATINGS, ("SYSTEM1 Marks"). In each of the SYSTEM1 Marks, "SYSTEM1" is the dominant and distinctive portion of the mark, acting to identify Plaintiffs as the source of the good or services in connection with which the mark is used.
- 12. Plaintiff SYSTEM1 Research Limited has also filed U.S. trademark applications to protect even more marks which prominently feature "SYSTEM1," *i.e.* SYSTEM1 TEST YOUR IDEA, SYSTEM1 TEST YOUR BRAND, SYSTEM1 TEST YOUR AD and SYSTEM1 PROFIT PROJECTOR.
- 13. Plaintiff System1 Research Limited's innovative solutions have gained notice in the industry, which has come to regard Plaintiff System1 Research Limited as a thought leader and change agent.
- 14. Plaintiff System1 Research Limited has promoted its services in the U.S. and throughout the world in connection with the SYSTEM1 Marks directly and via its various subsidiaries, including its U.S. subsidiary, Plaintiff System1 Research Inc. As a result of Plaintiffs' longstanding and continuous use and promotion of the SYSTEM1 Marks in the United States, the SYSTEM1 Marks have become well-known, is distinctive, and is widely recognized as a designation of the source of the goods and services Plaintiffs offer.
- 15. Plaintiffs also have made extensive use of the SYSTEM1 Marks as part of its digital platform through its website at www.system1Research Limited.com, a Twitter and Instagram handle of @System1Research, and a LinkedIn page for System1 Research. On each of these

platforms the SYSTEM1 Marks are prominently displayed and used as a source identifier of the services Plaintiffs offer.

- 16. As a result of Plaintiffs' longstanding and continuous use and promotion of the SYSTEM1 Marks, Plaintiffs have developed significant and valuable goodwill and common law rights in the SYSTEM1 Marks throughout the entire United States.
- 17. The SYSTEM1 Marks are distinctive, and distinguishes Plaintiffs and their goods and services from other competitors who promote and sell advertising, marketing and branding services.
- 18. In addition to its valuable common law trademark rights in the SYSTEM1 Marks, Plaintiff System1 Research Limited is the owner U.S. registrations which prominently include "SYSTEM1", as well as registrations in other countries including EU and UK registrations.
- 19. Plaintiff System1 Research Limited owns U.S. Trademark Registration No. 5,362,152 for SYSTEM1 RESEARCH for use in connection with "[c]ommercial information services provided by access to a computer database, namely, providing information about commercial business and commercial information via the Research Limited computer network; arranging of presentations for advertising and business purposes, namely, preparing audiovisual presentations for use in marketing and preparing audiovisual presentations for use in advertising; conducting market research surveys; human resources surveys, namely, conducting employee surveys for others for purposes of improving employee performance and morale; conducting business surveys; personnel surveys, namely, conducting personnel surveys for others for purposes of improving personnel performance and morale; personnel resources management; testing of personnel to determine job competency; collection of personnel information for others for use in connection with personnel management; facilities management, namely, business administration,

business management, personnel management and employment recruiting services; personnel management; advertising, marketing and promotion services; market research services; business data analysis; opinion poll services, namely, market opinion polling studies; public opinion surveys, namely, conducting public opinion polls; data processing services; compilation, retrieval and collection of business data, statistics and information in databanks and into computer databases; business management advice; advice in respect of marketing management; arranging and conducting marketing promotional events for others; business research; business consultancy; direct mail advertising services; commercial information agency services; conducting market research surveys and marketing studies; development of marketing strategies and concepts for others; dissemination of advertising, marketing and publicity materials; interpretation of market research data; interviewing for market research; market analysis and assessment services; analysis of market research data and statistics, market research studies, market forecasting, market research information services, market research data retrieval services and marketing studies; preparation of marketing plans, namely, marketing plan development; providing expert business opinions relating to companies and business; production of sound or video recordings in the nature of commercials and infomercials for marketing purposes; rental of marketing presentation materials; computerised market research services; analysis of market research data and statistics; collection of market research information; computerised market research; interpretation of market research data; market research, namely, interviewing for qualitative market research; investigations of marketing strategy; market research and analysis; market research by means of a computer database; market research data collection services; market research data retrieval services; market research for advertising purposes; provision of market research information; research services relating to marketing; advertising analysis; analysis of advertising response; analysis of business information;

analysis of business statistics; business analysis; business data analysis; business research and surveys; business statistical analysis for business purposes; collection of information relating to market analysis; consumer research services, namely, consumer response analysis; market analysis services; market study and analysis of market studies; conducting market surveys; public opinion surveys; conducting surveys for business purposes; advisory, administration, analysis, consultancy and information services relating to the foregoing; all the foregoing services provided by computer networks, or online or by phone, or by mobile telecommunications devices, or via websites, or via a database" and "[r]ental of access time to a computer database; rental of access time to Research Limited computer networks; telecommunication services, namely, providing access to computer databases; electronic message transmission; telecommunication of information, namely, information transmission via electronic communications networks and information transmission services via digital networks; telecommunications of computer programmes and any other data, namely, electronic data transmission; providing access to databases; providing access to telecommunications networks; communications services for accessing a database; leasing access time to a computer database; information, advisory and consultancy services relating to the aforesaid services; including the aforesaid services provided by computer networks, or online or by phone, or by mobile telecommunications devices, or via websites, or via a database."

20. U.S. Trademark Registration No. 5,362,152 for SYSTEM1 RESEARCH was issued on December 26, 2017. The registration is valid and subsisting and grants to Plaintiff System1 Research Limited the presumptive right of exclusive ownership and use in the United States. A true and correct copy of U.S. Trademark Registration No. 5,362,152 is attached hereto as Exhibit A.

21. Plaintiff System1 Research Limited also owns U.S. Trademark Registration No. 5,488,953 for SYSTEM1 RESEARCH LIMITED for use in connection with "[a]dvertising, marketing and publicity services, advertising agency and publicity agency services; commercial information services provided by access to a computer database; arranging of presentations for advertising and business purposes; market surveys; human resources surveys; business surveys; personnel surveys; personnel resources management; psychological testing of personnel for selection of personnel; collection of personnel research information; facilities management, namely, business administration, business management, personnel management and recruiting; personnel management; advertising, marketing, and promotion services; market research services; business data analysis services; public opinion poll services; public opinion surveys; data processing; compilation, retrieval and collection of business data, statistics and information; business management advice; advice in the field of business management and marketing; arranging marketing and promotional events for others; business research; business consultancy services; direct mail marketing services; commercial information business agency services; market research survey services and marketing studies; development of marketing strategies and concepts; interpretation of market research data, interviewing for market research; market analysis and assessment services; analysis of market research data and statistics, market research studies; economic market forecasting, market information services, namely, provision of market research information; market research data retrieval services, namely, analysis of market research data; marketing studies; preparation of marketing plans; expert opinions relating to business matters of companies and business; production of promotional sound or video recordings for marketing purposes; rental of marketing presentation materials; computerised market research services; analysis of market research data and statistics; collection of market research information;

computerised market research; interpretation of market research data; interviewing for qualitative market research; investigations of marketing strategy; market research and analysis; market research by means of a computer database; market research data collection services; market research data retrieval services; market research for advertising; provision of market research information; research services relating to marketing; advertising analysis; analysis of advertising response; analysis of business information; analysis of business statistics; business analysis; business data analysis; business research and surveys; business statistical analysis; collection of information relating to market analysis; consumer marketing research, namely, consumer response analysis; market analysis services; market study and analysis of market studies; surveys for business purposes; advisory, administration, analysis, consultancy and information services relating to the foregoing advertising and marketing services including the aforesaid advertising and marketing services provided by computer networks, or online or by phone, or by mobile telecommunications devices, or via websites, or via a database" and "[r]ental of access time to a computer database, rental of access time to Research Limited computer networks; telecommunication services for providing access to computer databases; electronic message transmission; telecommunication, namely, electronic transmission of information and data; provision of access to databases and telecommunication networks; communications services for accessing a database, namely, providing electronic transmission of information stored in a database via interactively communicating computer systems; leasing access time to a computer database; information, advisory and consultancy services relating to the aforesaid telecommunication services; including the aforesaid services provided by computer networks, or online or by phone, or by mobile telecommunications devices, or via websites, or via a database"

- 22. U.S. Trademark Registration No. 5,488,953 for SYSTEM1 RESEARCH LIMITED was issued on March 27, 2018. The registration is valid and subsisting and grants to Plaintiff System1 Research Limited the presumptive right of exclusive ownership and use in the United States. A true and correct copy of U.S. Trademark Registration No. 5,488,953 is attached hereto as Exhibit B.
- 23. Plaintiff System1 Research Limited also owns U.S. Trademark Registration No. 5,870,379 for SYSTEM1 MARKETING for use in connection with "[a]dvertising, marketing and publicity services, advertising agency and publicity agency services; commercial information services provided by access to a computer database; arranging of presentations for advertising and business purposes; conducting market surveys; conducting human resources surveys; conducting business surveys; conducting personnel surveys; personnel resources management; psychological testing of personnel for selection of personnel; collection of personnel research information; facilities management, namely, business administration, business management, personnel management and recruiting; personnel management; advertising, marketing, and promotion services; market research services; business data analysis services; conducting public opinion poll services; conducting public opinion surveys; data processing; compilation and collection of business data, statistics and information; business management advice; advice in the field of business management and marketing; arranging marketing and promotional events for others; business research; business consultancy services; direct mail marketing services; commercial information business agency services; conducting market research survey services and marketing studies; development of marketing strategies and concepts; interpretation of market research data, interviewing for market research; market analysis and assessment services; analysis of market research data and statistics, market research studies; economic market forecasting, market

information services, namely, provision of market research information; market research data retrieval services, namely, analysis of market research data; conducting marketing studies; preparation of marketing plans; expert opinions relating to business matters of companies and business; production of promotional sound or video recordings for marketing purposes; rental of marketing presentation materials; computerised market research services; analysis of market research data and statistics; collection of market research information; computerised market research; interpretation of market research data; interviewing for qualitative market research; investigations of marketing strategy; market research and analysis; market research by means of a computer database; market research data collection services; market research data retrieval in the nature of data collection services; market research for advertising; provision of market research information; research services relating to marketing; advertising analysis; analysis of advertising response; analysis of business information; analysis of business statistics; business analysis; business data analysis; business research and surveys; business statistical analysis; collection of information relating to market analysis; consumer marketing research, namely, consumer response analysis; market analysis services; market study and analysis of market studies; conducting surveys for business purposes; advisory, analysis, consultancy and information services relating the aforementioned advertising and marketing services" and "[r]ental of access time to a computer database, rental of access time to Research Limited computer networks; telecommunication services for providing access to computer databases; electronic message transmission; telecommunication services, namely, electronic transmission of information and data; provision of access to databases and telecommunication networks; communications services in the nature of electronic exchange of data stored in databases accessible via telecommunications networks, namely, providing electronic transmission of information stored in a database via interactively

communicating computer systems; information, advisory and consultancy services relating to the aforesaid telecommunication services."

- 24. U.S. Trademark Registration No. 5,870,379 for SYSTEM1 MARKETING was issued on October 1, 2019. The registration is valid and subsisting and grants to Plaintiff System1 Research Limited the presumptive right of exclusive ownership and use in the United States. A true and correct copy of U.S. Trademark Registration No. 5,870,379 is attached hereto as Exhibit C.
- 25. Plaintiff System1 Research Limited also owns U.S. Trademark Registration No. 5,870,950 for SYSTEM1 AD RATINGS for use in connection with "[a]dvertising, marketing and publicity services, advertising agency and publicity agency services; commercial information services provided by access to a computer database; arranging of presentations for advertising and business purposes; conducting market surveys; conducting human resources surveys; conducting business surveys; conducting personnel surveys; personnel resources management; psychological testing of personnel for selection of personnel; collection of personnel research information; facilities management, namely, business administration, business management, personnel management and recruiting; personnel management; advertising, marketing, and promotion services; market research services; business data analysis services; conducting public opinion poll services; conducting public opinion surveys; data processing; compilation and collection of business data, statistics and information; business management advice; advice in the field of business marketing management; arranging marketing and promotional events for others; business research; business consultancy services; direct mail marketing services; commercial information business agency services; conducting market research survey services and marketing studies; development of marketing strategies and concepts; dissemination of advertising materials;

interpretation of market research data, interviewing for market research; market analysis and assessment services; analysis of market research data and statistics, market research studies; economic market forecasting, market information services, namely, provision of market research information; market research data retrieval services, namely, analysis of market research data; conducting marketing studies; preparation of marketing plans; expert opinions relating to business matters of companies and business; production of promotional sound or video recordings for marketing purposes; rental of marketing presentation materials; computerised market research services; analysis of market research data and statistics; collection of market research information; computerised market research; interpretation of market research data; interviewing for qualitative market research; investigations of marketing strategy; market research and analysis; market research by means of a computer database; market research data collection services; market research data retrieval in the nature of data collection services; market research for advertising; provision of market research information; research services relating to marketing; advertising analysis; analysis of advertising response; analysis of business information; analysis of business statistics; business analysis; business data analysis; business research and surveys; business statistical analysis; collection of information relating to market analysis; consumer marketing research, namely, consumer response analysis; market analysis services; market study and analysis of market studies; conducting surveys for business purposes; advisory, analysis, consultancy and information services relating the aforementioned advertising and marketing services" and "[r]ental of access time to a computer database, rental of access time to Research Limited computer networks; telecommunication services for providing access to computer databases; electronic message transmission; telecommunication services, namely, electronic transmission of information and data; provision of access to databases and telecommunication networks;

communications services in the nature of electronic exchange of data stored in databases accessible via telecommunications networks, namely, providing electronic transmission of information stored in a database via interactively communicating computer systems; information, advisory and consultancy services relating to the aforesaid telecommunication services."

- 26. U.S. Trademark Registration No. 5,870,950 for SYSTEM1 AD RATINGS was issued on October 1, 2019. The registration is valid and subsisting and grants to Plaintiff System1 Research Limited the presumptive right of exclusive ownership and use in the United States. A true and correct copy of U.S. Trademark Registration No. 5,870,950 is attached hereto as Exhibit D.
- 27. Due to Plaintiffs' longstanding use of its SYSTEM1 Marks, consumers and the industry rely upon and look for the SYSTEM1 Marks as an indication that the advertising, marketing and branding services identified by the SYSTEM1 Marks originate from Plaintiffs.
- 28. As a result of Plaintiffs' long history of promotion and use—as well as the quality of the advertising, marketing and branding services Plaintiffs' market and sell—the SYSTEM1 Marks are widely recognized throughout the United States and the world. As a consequence, the SYSTEM1 Marks symbolize valuable goodwill and reputation.

#### **DEFENDANT SYSTEM1 LLC'S INFRINGING ACTIVITIES**

- 29. Defendant System1 LLC changed its name from OpenMail LLC to System1 LLC <a href="mailto:after">after</a> Plaintiffs began using the SYSTEM1 Mark and name in the United States.
- 30. Under the name System1 LLC, Defendant offers advertising, marketing and branding services throughout the United States.

- 31. Defendant System1 LLC uses "SYSTEM1" throughout the United States with full knowledge of Plaintiffs' prior and superior rights in the SYSTEM1 Trademarks and without regard to Plaintiffs' objections to the same.
- 32. For example, on April 24, 2017, System1 LLC filed U.S. Application Serial No. 87/423,386 for the mark "SYSTEM1" for "computer software and software applications for the purposes of web optimization and the provision of personalized internet content based on an individual's internet use; computer software to enable the creation, managing, targeting, tracking, analyzing, and servicing of advertising and marketing content and campaigns via mobile, web sites, online and interactive media and computer networks" in Class 9, well after Plaintiff System1 Research Limited had filed its application for SYSTEM1 RESEARCH.
- 33. The United States Patent and Trademark Office ("USPTO") issued a series of refusals to Defendant System1 LLC's application to register SYSTEM1 on the grounds that there was a likelihood of confusion between Defendant's application for SYSTEM1 and Plaintiff System1 Research Limited's then pending application for SYSTEM1 RESEARCH.
- 34. Over the course of the next year, Defendant System1 LLC's arguments to the overcome the refusal were twice rejected by the USPTO.
- 35. On April 30, 2019, Defendant System1 LLC abandoned its application seeking to federally register SYSTEM1 as a mark in the United States.
- 36. As part of the USPTO's review of Defendant's application for SYSTEM1, the USPTO considered a Letter of Protest filed by Plaintiff System1 Research Limited.
- 37. In the Letter of Protest, attached hereto as Exhibit E, Plaintiff System1 Research Limited made it clear that registration was improper because of the likelihood of confusion between its SYSTEM1 RESEARCH mark and System1 LLC's SYSTEM1 mark.

- 38. Thus, at least as early as February 2018, Defendant System1 LLC had actual knowledge of Plaintiff System1 Research Limited's rights in the SYSTEM1 RESEARCH mark, Plaintiff's prior use of the SYSTEM1 Marks, and Plaintiff's objection to Defendant System1 LLC's use and registration of SYSTEM1 based on a likelihood of consumer, confusion, mistake or deception.
- 39. Defendant's attempt to register SYSTEM1 in Europe met with similar, and predictable, results in view of Plaintiff System1 Research Limited's prior and superior rights in the SYSTEM1 RESEARCH mark in the EU.
- 40. On October 20, 2017, Defendant System1 LLC filed an European Union Trademark ("EUTM") application to register SYSTEM1 for use in connection with "marketing services; mobile and digital advertising and marketing services, namely, creation of marketing tools designed to increase a client company's knowledge of customer segments, advertising strategy and sales strategy; preparation and realization of advertising plans and concepts; development of digital marketing strategies and concepts; digital statistical evaluations of marketing data; data processing in the fields of website optimization and the provision of personalized internet content based on an individual's internet use; provision of business information and data in the fields of website optimization and the provision of personalized internet content based on an individual's internet use; consumer strategy business consulting in the fields of marketing, sales, operation, and product design particularly specializing in the use of analytic models for the understanding and predicting of consumer, business, and retail market trends and actions; advertising, promotion and marketing services in the nature of e-mail blast campaigns for others" in Class 35 and "Electronic data storage; Internet search engine services to consumers and businesses" in Class 42.

- 41. On May 11, 2018, Plaintiff System1 Research Limited filed an opposition against Defendant's EU SYSTEM1 application on the basis of its prior EU Registration No. 1350727 for "SYSTEM1 RESEARCH" relying on the grounds of likelihood of confusion and unfair advantage/detriment to distinctiveness or repute.
- 42. On November 24, 2020, the EUIPO issued a decision upholding Plaintiff System1 Research Limited's opposition for all the contested services and refusing to allow Defendant System1 LLC to register SYSTEM1 for any and all of the services listed in the application.
- 43. It very recently came to Plaintiffs' attention that a US SPAC (Trebia Acquisition Corp.) has publicly announced that it is acquiring Defendant System1 LLC and that the name of the enlarged company upon closing would become System1 Group Inc. A copy of news release announcing the acquisition is attached as Exhibit F.
- 44. Notwithstanding Plaintiff System1 Research Limited's clear, express and successful objections to Defendant System1 Limited's registration and use of "SYSTEM1" (both in the U.S. and in Europe), Defendant System1 Limited has not only continued to use "SYSTEM1" as part of its name and as a mark promoting its marketing, advertising and brand enhancement services, but also planned to expand such use after completion of this transaction.
- 45. Defendant System1 LLC uses "SYSTEM1" as part of its corporate name, as a trademark, a domain name (www.system1.com), in social media handles (@system1co on Twitter and Facebook) and on LinkedIn as "System1."
- 46. Defendant System1 LLC uses "SYSTEM1" to promote and sell products and services which are identical, overlapping, related to or within the zone of natural expansion of those promoted and sold by Plaintiffs.

- 47. Upon information and belief, Defendant System1 LLC also offers products and services which can be used in the performance of, or in connection with, Plaintiffs' advertising, marketing and promotional services.
- 48. Defendant System1 LLC uses "SYSTEM1" to promote its goods and services to the same or similar purchasers in the field of advertising and marketing to whom Plaintiffs promotes their advertising, marketing and branding services under the SYSTEM1 Marks.
- 49. Defendant System1 LLC uses "SYSTEM1" to promote and sell its goods and services through the same or similar trade channels as Plaintiffs use the SYSTEM1 Marks to promote their advertising, marketing and branding services in connection with the SYSTEM1 Marks.
  - 50. Defendant System1 LLC's use of "SYSTEM1" is without the consent of Plaintiffs.
- 51. Defendant System1 LLC's use of "SYSTEM1," and variations thereof, as a corporate name, trademark, domain name and in social media handles is likely to cause consumer confusion, mistake or deception with the SYSTEM1 Trademarks.
- 52. Defendant System1 LLC's infringing conduct, described herein, is likely to cause confusion, to cause mistake, and/or to deceive consumers, at least as to some affiliation, connection or association of Defendant with Plaintiffs, or as to the origin, sponsorship, or approval of the products and/or services of Defendant System1 LLC by Plaintiffs.
- 53. Defendant System1 LLC's infringing conduct, described herein, falsely indicates to consumers that the Defendant System1 LLC's' goods and services are affiliated, connected or associated with Plaintiffs, or are sponsored, endorsed, or approved by Plaintiffs, or are in some manner related to Plaintiffs.

- 54. Defendant System1 LLC's infringing conduct, described herein, enables Defendant System1 LLC to trade on and receive the benefit of Plaintiffs' goodwill in the SYSTEM1 Trademarks, which has been built up at great labor and expense by Plaintiffs over more than a decade. Defendant System1 LLC's use of "SYSTEM1" in the manner described above also enables Defendant System1 LLC to gain acceptance for its goods and/or services, not solely on their own merits, but on the reputation and goodwill of Plaintiffs and the SYSTEM1 Trademarks.
- 55. Defendant System1 LLC's infringing conduct, described herein, prevents Plaintiffs from controlling the nature and quality of goods and/or services provided as a result of those uses and place the valuable reputation and goodwill of the SYSTEM1 Trademarks in the hands of Defendant, over whom Plaintiffs have no control.
- 56. Upon information and belief, Defendant System1 LLC's use of "SYSTEM1," and variations thereof, has caused actual confusion among customers, potential customers and others in the market (i.e., media, vendors and job applicants).
- 57. Most recently, after learning of the reported transaction between the U.S. SPAC (Trebia Acquisition Corp.) and Defendant and the plans to expand infringing use of "SYSTEM1" further, Plaintiffs sent Defendant a cease and desist letter on July 14, 2021. A true and correct copy of the July 14, 2021 cease and desist letter is attached hereto as Exhibit G.
- 58. Despite being on constructive and actual notice of Plaintiff's prior rights in the SYSTEM1 Marks, having trademark applications refused both by the USPTO and EUIPO on the grounds of a likelihood of confusion with Plaintiffs' SYSTEM1 Marks after Plaintiffs lodged objections, and receiving multiple cease and desist letters sent by counsel for Plaintiffs, Defendant System1 LLC has refused to cease use of "SYSTEM1," continuing to promote and sell its

marketing, advertising and brand services in connection with the name "SYSTEM1," necessitating the present Complaint.

- 59. Defendant System1 LLC's unlawful infringement of the SYSTEM1 Trademarks has caused irreparable harm to Plaintiffs' reputation and goodwill.
- 60. Plaintiffs will continue to suffer irreparable injury to their reputation and goodwill unless Defendant System1 LLC is enjoined from continuing the conduct complained of, which injury cannot be adequately compensated monetarily.
- 61. As long as Defendant System1 LLC is allowed to continue the acts complained of, Plaintiffs' reputation and goodwill in the SYSTEM1 Trademarks will continue to be damaged.
- 62. Defendant System1 LLC's use of "SYSTEM1" has been in bad faith and with a willful disregard of Plaintiffs' rights in the SYSTEM1 Trademarks.

## FIRST COUNT (Infringement Of Federally Registered Trademarks, 15 U.S.C. § 1114)

- 63. Plaintiffs System1 Research Limited and System1 Research re-allege and incorporate by reference paragraphs 1 through 62, *supra*, as if fully stated herein.
- 64. The acts of Defendant System1 LLC complained of herein constitute infringement of Plaintiffs' registered SYSTEM1 Marks in violation of Section 32 of the Lanham Act, 15 U.S.C. §1114.
- 65. Plaintiff System1 Research Limited is the exclusive owner of the federally registered SYSTEM1 Marks.
- 66. Plaintiff System1 Research Limited's registered SYSTEM1 Marks are each inherently distinctive.
- 67. Each of Plaintiff System1 Research Limited's registered SYSTEM1 Marks identify Plaintiff System1 Research Limited and its affiliated entity, Plaintiff System1 Research, as the

exclusive source of products and services offered in connection with the SYSTEM1 Marks and, therefore, each of the registered SYSTEM1 Marks has also acquired distinctiveness.

- 68. Defendant System1 LLC's use of "SYSTEM1" and variations thereof, in commerce on, for, and/or in connection with the advertising, promotion, offering for sale, and/or sale of products and services, as alleged, herein, is causing, and is likely to continue to cause, consumer confusion, mistake, and/or deception about whether Defendant System1 LLC is Plaintiff System1 Research Limited or Plaintiff System1 Research, and/or whether Defendant System1 LLC is a licensee, authorized distributor, and/or affiliate of Plaintiff System1 Research Limited and/or Plaintiff System1 Research.
- 69. Defendant System1 LLC's use of "SYSTEM1," and variations thereof, in commerce on, for, and/or in connection with the advertising, promotion, offering for sale, and/or sale of products and services, as alleged, herein is causing, and is likely to continue to cause, consumer confusion, mistake, and/or deception about whether Defendant and/or Defendant's' products and services originate with, and/or are sponsored or approved by, and/or offered under a license from, Plaintiff System1 Research Limited and/or Plaintiff System1 Research, or vice versa.
- 70. Upon information and belief, Defendant System1 LLC had constructive and actual knowledge of Plaintiffs' superior and prior rights in and to the registered SYSTEM1 Marks when Defendant System1 LLC adopted, used and continued to use "SYSTEM1," and variations thereof, as part of their bad-faith scheme to confuse and deceive consumers, as alleged, herein.
- 71. Upon information and belief, Defendant System1 LLC adopted and used "SYSTEM1," and variations thereof, in furtherance of Defendant's willful, deliberate, and badfaith scheme to trade upon the extensive consumer goodwill, reputation, fame, and commercial

success of products and services that Plaintiffs offer in connection with the registered SYSTEM1 Marks.

- 72. Upon information and belief, as a result of Defendant System1 LLC's conduct, there has been actual consumer confusion as to Defendant System1 LLC's association, affiliation and/or relationship with Plaintiffs and Plaintiffs' goods and services offered in connection with the SYSTEM1 Marks.
- 73. Upon information and belief, Defendant System1 LLC has made, and will continue to make, substantial profits and gain from its unauthorized conduct to which Defendant is not entitled at law or in equity.
- 74. As a result of Defendant System1 LLC's actions, Plaintiffs have been and are being injured and are entitled to recover compensatory damages and to receive injunctive relief prohibiting Defendant System1 LLC from further use of "SYSTEM1" in commerce in any manner.
- 75. Plaintiff System1 Research Limited and Plaintiff System1 Research have each suffered, and will continue to suffer, irreparable harm from Defendant System1 LLC's acts and conduct complained of herein, unless restrained by law. Plaintiffs have no adequate remedy at law.
- 76. The acts of Defendant System1 LLC complained of herein have been willful and in bad faith, making this an exceptional case within the meaning of 15 U.S.C. § 1117(a).

# SECOND COUNT (Federal Unfair Competition, 15 U.S.C. § 1125(a)(1)(A))

- 77. Plaintiffs System1 Research Limited and System1 Research re-allege and incorporate by reference paragraphs 1 through 76, supra, as if fully stated herein.
- 78. The acts of Defendant System1 LLC complained of herein constitute unfair competition, false endorsement, false association, and/or false designation of origin, in violation of 15 U.S.C. § 1125(a)(1)(A). Specifically, Defendant's use of "SYSTEM1" and variations

thereof is likely to cause confusion, and to cause mistake, and to deceive customers and potential customers as to the affiliation, connection, or association of Defendant System1 LLC with Plaintiffs System1 Research Limited and/or System1 Research.

- 79. Defendant System1 LLC has deceived, misled, and confused customers as to its association with Plaintiffs System1 Research Limited and System1 Research, and in doing so has traded off of Plaintiffs' reputation and goodwill.
- 80. Upon information and belief, as a result of Defendant System1 LLC's conduct, there has been actual consumer confusion as to Defendant System1 LLC's association, affiliation and/or relationship with Plaintiffs and Plaintiffs' goods and services offered in connection with the SYSTEM1 Marks.
- 81. Plaintiffs System1 Research Limited and System1 Research have suffered, and will continue to suffer, irreparable harm from Defendant System1 LLC's acts and conduct complained of herein, unless restrained by law.
- 82. Plaintiffs System1 Research Limited and System1 Research have no adequate remedy at law.
- 83. As a result of Defendant System1 LLC's conduct, Plaintiffs were injured and are entitled to recover compensatory damages and to receive injunctive relief prohibiting Defendant System1 LLC from further use of the "SYSTEM1" in commerce in any manner.

## THIRD COUNT (Common Law Trademark Infringement)

- 84. Plaintiffs System1 Research Limited and System1 Research re-allege and incorporates by reference paragraphs 1 through 83, supra, as if fully stated herein.
- 85. Plaintiffs' SYSTEM1 Marks are eligible for trademark protection under New York and common law.
- 86. The acts of Defendant System1 LLC complained of herein constitute trademark infringement in violation of the common law of the State of New York and the common law of other States in which Defendant System1 LLC is conducting its activities.
- 87. Upon information and belief, as a result of Defendant System1 LLC's conduct, there has been actual consumer confusion as to Defendant System1 LLC's association, affiliation and/or relationship with Plaintiffs and Plaintiffs' goods and services offered in connection with the SYSTEM1 Marks.
- 88. Upon information and belief, Defendant System1 LLC has made, and will continue to make, substantial profits and gain from its unauthorized conduct to which Defendant is not entitled at law or in equity.
- 89. Plaintiff System1 Research Limited and Plaintiff System1 Research have each suffered, and will continue to suffer, irreparable harm from Defendant System1 LLC's acts and conduct complained of herein, unless restrained by law. Plaintiffs have no adequate remedy at law.
- 90. As a result of Defendant System1 LLC's conduct, Plaintiffs were injured and are entitled to recover compensatory damages and to receive injunctive relief prohibiting Defendant System1 LLC from further use of "SYSTEM1" in commerce in any manner.

## **FOURTH COUNT**

## (Unfair Competition Under New York Law)

- 91. Plaintiffs System1 Research Limited and System1 Research re-allege and incorporates by reference paragraphs 1 through 90, supra, as if fully stated herein.
- 92. Defendant System1 LLC has intentionally and in bad faith misappropriated the goodwill and reputation of that which Plaintiffs have created in the SYSTEM1 Marks.
- 93. Upon information and belief, as a result of Defendant System1 LLC's conduct, there has been actual consumer confusion as to Defendant System1 LLC's association, affiliation and/or relationship with Plaintiffs and Plaintiffs' goods and services offered in connection with the SYSTEM1 Marks.
- 94. Upon information and belief, Defendant System1 LLC has made, and will continue to make, substantial profits and gain from its unauthorized and bad faith conduct to which Defendant is not entitled at law or in equity.
- 95. Plaintiff System1 Research Limited and Plaintiff System1 Research have each suffered, and will continue to suffer, irreparable harm from Defendant System1 LLC's acts and conduct complained of herein, unless restrained by law. Plaintiffs have no adequate remedy at law.
- 96. As a result of Defendant System1 LLC's conduct, Plaintiffs were injured and are entitled to recover compensatory damages and to receive injunctive relief prohibiting Defendant System1 LLC from further use of the "SYSTEM1" or any other deceptive act or practice related to use of "SYSTEM1".

#### FIFTH COUNT

## (Deceptive Business Acts and Practices In Violation of General Business Law § 349(h))

97. Plaintiffs System1 Research Limited and System1 Research re-allege and incorporates by reference paragraphs 1 through 96, supra, as if fully stated herein.

- 98. Defendant System1 LLC used Plaintiffs' SYSTEM1 Mark in commerce in New York State without any authorization or consent and profited therefrom.
- 99. Defendant System1 LLC's use of "SYSTEM1 Mark" and infringement of the SYSTEM1 Marks was and is a deceptive act and practice.
- 100. Defendant System1 LLC, through their unauthorized use of "SYSTEM1" and infringement of the SYSTEM1 Marks, is likely to, and to confuse, mislead deceive consumers in New York State that Defendant's services and goods had or have a connection or association with and/or approval by Plaintiffs, when they did and do not.
- 101. Upon information and belief, consumers were in fact deceived that Defendant System1 LLC's services and goods had a connection or association with and/or approval by Plaintiffs.
- 102. Upon information and belief, Defendant System1 LLC willfully and intentionally sought to use the SYSTEM1 Marks to confuse consumers as to the source, sponsorship or affiliation of tis goods and services.
- 103. As a result of Defendant System1 LLC's deceptive acts and practices, Plaintiffs were injured and they are entitled to recover compensatory damages and to receive injunctive relief prohibiting Defendant System1 LLC from further use of "SYSTEM1", infringement of the SYSTEM1 Marks, or any other deceptive act or practice related thereto.

# SIXTH COUNT (Violation of New York General Business Law § 133)

- 104. Plaintiffs System1 Research Limited and System1 Research re-allege and incorporates by reference paragraphs 1 through 103, supra, as if fully stated herein.
- 105. Defendant System1 LLC has, with intent to deceive or mislead the public, assumed, adopted or used as, or as part of, a corporate, assumed or trade name, for advertising purposes and

for the purposes of trade, "System1" which may deceive or mislead the public as to the identity of Defendant, or as to the connection of Defendant System1 LLC with Plaintiff System1 Research Limited and/or Plaintiff System1 Research.

- 106. Defendant System1 LLC's aforesaid use of "System1" as part of its corporate and/or trade name, with intent to deceive or mislead the public, has violated and continues to violate New York General Business Law § 133.
- 107. By reason of the foregoing, Plaintiff System1 Research Limited and Plaintiff System1 Research are entitled to a preliminary and permanent injunction enjoining and restraining Defendant System1 LLC from use of any trade or corporate name which includes "System1" or any substantially similar variation thereof.

### **UNJUST ENRICHMENT**

- 108. Plaintiffs System1 Research Limited and System1 Research re-allege and incorporates by reference paragraphs 1 through 107, supra, as if fully stated herein.
- 109. With full knowledge of Plaintiffs' rights in the SYSTEM1 Marks Defendant System1 LLC has, without any authorization or consent, used and continued to profit unjustly from the use of "SYSTEM1."
- 110. Plaintiffs are entitled to: an accounting of Defendant System1 LLC's profits and an equitable disgorgement of the amount of same as a result of its unauthorized use of the "SYSTEM1" and its infringement of the SYSTEM1 Marks.

#### PRAYER FOR RELIEF

WHEREFORE, Plaintiffs System1 Research Limited and System1 Research pray for relief against Defendant System1 LLC as follows:

A. Entry of preliminary and permanent injunctions enjoining Defendant System1 LLC and its servants, agents, employees, successors and assigns, and all persons acting in concert with

them, from using in any manner the "SYSTEM1" trade name or trademark or any other trade name, trademark or other source identifier confusingly similar to the SYSTEM1 Marks;

- B. Ordering Defendant System1 LLC to deliver up to Plaintiffs for destruction all products, goods, signs, advertisements, literature, business forms, cards, labels, packages, wrappers, pamphlets, brochures, receptacles, and any other written or printed material in their possession or under their control which contain or encompass the "SYSTEM1" trade name, trademark or other source identifiers; the SYSTEM1 Marks, any colorable imitations thereof, or any marks, names or source identifiers confusingly similar to the SYSTEM1 Marks; or which contain any false or misleading representation of fact;
- C. Awarding compensatory damages sustained by Plaintiffs and profits generated by Defendant as a result of the acts complained of herein pursuant to federal and state law, to be trebled in accordance with 15 U.S.C. § 1117 and Deceptive Business Acts and Practices In Violation Of General Business Law § 349(h);
- D. Awarding Plaintiffs their attorneys' fees pursuant to 15 U.S.C. § 1117, Deceptive Business Acts and Practices In Violation Of General Business Law § 349(h) and other applicable federal and state laws; and
- E. Awarding Plaintiffs interest, costs, and such other relief as the Court may deem just and equitable or as permitted under federal or state law.

#### **JURY DEMAND**

Plaintiffs hereby demand a trial by a jury of all issues so triable.

DATED: September 27, 2021 Respectfully submitted,

## By <u>/s/ Devlin Healey</u> NORTON ROSE FULBRIGHT US LLP

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Plaintiffs System1 Research Limited and System1 Research, Inc.